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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/579,789	05/26/2000	Mitchell Reifel	YMEDIA.006A	8494

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EXAMINER

RHODE JR, ROBERT E

ART UNIT	PAPER NUMBER
3625	

DATE MAILED: 03/26/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)
	09/579,789	REIFEL ET AL.
	Examiner	Art Unit
	Rob Rhode	3625

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE ____ MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) Responsive to communication(s) filed on ____.
- 2a) This action is FINAL. 2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) Claim(s) 1-44 is/are pending in the application.
- 4a) Of the above claim(s) ____ is/are withdrawn from consideration.
- 5) Claim(s) ____ is/are allowed.
- 6) Claim(s) 1-44 is/are rejected.
- 7) Claim(s) ____ is/are objected to.
- 8) Claim(s) ____ are subject to restriction and/or election requirement.

Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on 26 May 2000 is/are: a) accepted or b) objected to by the Examiner.
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) The proposed drawing correction filed on ____ is: a) approved b) disapproved by the Examiner.
 If approved, corrected drawings are required in reply to this Office action.
- 12) The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
 - a) All
 - b) Some *
 - c) None of:
 1. Certified copies of the priority documents have been received.
 2. Certified copies of the priority documents have been received in Application No. ____.
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 14) Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
 - a) The translation of the foreign language provisional application has been received.
- 15) Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)	4) <input type="checkbox"/> Interview Summary (PTO-413) Paper No(s). ____ .
2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)	5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)
3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449) Paper No(s) ____ .	6) <input type="checkbox"/> Other: _____

DETAILED ACTION

Response to Amendment

The office action of 08/30/2002 rejected claims 1 - 44.

Applicant amendment of 01/27/2003 amended dependent claim 19 in response to the 35 USC 112 rejection regarding lack of antecedent basis for the limitation "the encryption" and claim 19 is now dependent from claim 10. The applicant thereby overcame the 35 USC 112 rejection. In addition, applicant traversed rejections of claims 1 – 44.

Currently, claims 1 – 44 are pending.

Response to Arguments

Applicant's arguments filed 02/21/03 have been fully considered but they are not persuasive.

Applicant traverses the rejection for claims 10, 20 and 35 – 39 based on the lack of anticipation by Zander and specifically that there is not a description of the user commitment to the purchase of a first amount of image reproductions as well as there being no commitment by the customer to the development of any or all of the exposures to form the printed images. In addition, the applicant amended claim 19, which is dependent from claim 10, which necessitated new grounds for rejection. In that regard,

the new rejection of these claims will be addressed later in this office action. Therefore, the applicant's arguments regarding these claims - in view of the amended dependent claim 19 are considered moot.

Applicant traverses the rejection for claims 1 – 9, and 32 – 34 and 40 - 41 based on arguing that each reference cited is lacking certain claim limitations.

In response to applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

Applicant traverses the rejection of claims 12, 29 and 42 – 43 based on arguing against the references individually. In addition, the application also traverses on the grounds that there is not sufficient basis for concluding that the combination of these references addressing the claim limitations would have been obvious to one of ordinary skill in the art.

In response to applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

Further in response to applicant's arguments that there is no suggestion to combine the references, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, and as disclosed in the previous office action, Zander does teach using a kiosk for cameras and film but it fails to teach providing a user with prints at no additional cost. On the other hand, Frey teaches a photo kiosk that provides a user with temporary use of a camera and a set number of prints for one prepaid fee. In that regard, the motivation to combine Zander and Frey is the use of the kiosk in both references to provide the camera and the pictures to the customer at no additional cost.

Applicant traverses the rejection of claims 11 and 13 – 19 based on arguing against the references individually. In addition, the applicant also traverses on the grounds that there is not sufficient basis for concluding that the combination of these references addressing the claim limitations would have been obvious to one of ordinary skill in the art.

In response to applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208

USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

Further In response to applicant's arguments that there is no suggestion to combine the references, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, and as disclosed in the previous office action Zander substantially discloses the invention but fails to teach storing camera usage information in camera memory or on a server, modifying camera performance or energy management based on camera usage information, or predicting camera battery life or camera memory based on the number of pictures taken. Fichtner on the other hand teaches a method which addresses these limitations. The motivation to combine these references is based on the need to download from a host system/provider data to ensure that the camera is functioning properly.

Applicant traverses the rejection of claims 21 - 28 and 30 - 31 based on arguing against the references individually. In addition, the applicant also traverses on the grounds that there is not sufficient basis for concluding that the combination of these

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references addressing the claim limitations would have been obvious to one of ordinary skill in the art.

In response to applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

Further In response to applicant's arguments that there is no suggestion to combine the references, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, and as disclosed in the previous office action, Zander substantially discloses the invention, including leasing a camera to a user, and selling a camera to a user, but fails to teach a commitment for a dollar amount or an image amount, receiving a user profile information, a time limit on a commitment, fixing a price for an image reproduction, receiving an order to hardcopy image reproductions over a camera user interface or a network, providing additional prints for a fee, or a user designating a print house. Enomoto teaches a digital print order system that receives digital image data fed into a data processing device through an image input device such as a digital camera, along

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with print option data, delivery timeframe, payment data and user ID data. The user can select which photofinisher will receive the print order, and reject the photofinisher if the delivery data quoted is unacceptable. Customer ID data is captured and additional print orders are expedited by accessing previously stored ID data. The motivation to combine these references would be to enhance the capability to have a system that integrates the permanent device (camera) with the disposable portion – similar to a razor and razor blade.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

Claims 10, 19, 20 and 35 – 39 are rejected under 35 U.S.C. 103(a) as being unpatentable over Zander (US Patent 5,923,906), in view of Segal et al (US Patent 6,167,251).

Zander discloses and teaches an apparatus for vending a camera to a customer. For example, Zander discloses an automated kiosk that dispenses a leased or purchased camera to a customer based on a fee, receives instructions from the customer for photo finishing at return of the camera, and optionally forwards the

photographic order to a remote computer for image reproduction and delivery. The type of camera provided to the customer is based on customer information on the intended use of the camera, the desired operating configuration of the camera, and other factors (see at least col. 5 lines 45-65, col. 8 lines 8-61 and col. 22 lines 17- 41). However, Zander fails to specifically disclose and teach a method comprising encrypting by the camera of a least the first image captured by the camera in order to prevent the user from having prints of at least the first image from a source not associated with the provider of the camera. On the other hand, Segal discloses and teaches a cellular phone system that describes a service provider furnishing electronic devices such as cellular phones to customers at a discount in exchange for the customer's commitment to a long-term service contract, which can be based on use of a predetermined number of air minutes. The cellular phone service is secured by encrypted pre-paid airtime communication units with unique identifiers which must be received by the phone unit in order to prevent unauthorized persons from accessing the service and to ensure that the units have been paid for before user access takes place (see at least col. 1, lines 16-58, col. 9 line 56 - col. 10 line 12 and col. 12 lines 25-44) Segal does make it clear that the host computer/provider, which downloads the encryption algorithm to the device, can also not transmit an appropriate password/key too . Without the password/key, the camera user will be prevented from developing the images with any other source (see at least Abstract and col 1, lines 16-58). It would have been obvious to one of ordinary skill in the art at the time of the invention to have provided the camera vending method of Zander with the teachings of Segal

regarding encryption by the camera to ensure that the customer can only have the development of the film completed by the camera provider – thereby ensuring a return on investment.

Claims 1-3 and 6-9 are rejected under 35 U.S.C. 103(a) as being unpatentable over Photographic Trade News, 'Satisfaction Yields Future Gains', July 1994, Segal et al. (US Patent 6,167,251), and further in view of Sheridan (US Patent 5,760,917).

Photographic Trade News (hereinafter referred to as PTN) discloses a method for specialty camera stores to increase profits by offering photo processing promotions to new camera buyers at the time of purchase (see paragraph 9). Please note that although PTN fails to specifically mention determining if a consumer has a financial instrument, doing so is an integral step in any sales process and would have been an obvious determination for a merchant to make as part of a consumer purchasing a camera. Please also note that although PTN fails to specifically mention allowing images of a purchased camera to be displayed on a camera display, it is well known in the digital camera art to provide a display for viewing images, and doing so would have been obvious to one of ordinary skill in the art in order to allow images to be selected for further processing.

PTN also fails to teach providing a consumer with a camera in return for a consumer entering into a commitment for purchasing a certain amount of images within

a specific time period, or a camera receiving an unlocking code prior to allowing access to encrypted data. Segal discloses a cellular phone system that describes a service provider furnishing electronic devices such as cellular phones to customers at a discount in exchange for the customer's commitment to a long-term service contract, which can be based on use of a predetermined number of air minutes. The cellular phone service is secured by encrypted pre-paid airtime communication units with unique identifiers which must be received by the phone unit in order to prevent unauthorized persons from accessing the service and to ensure that the units have been paid for before user access takes place (see at least col. 1, lines 16-58, col. 9 line 56 - col. 10 line 12 and col. 12 lines 25-44). It would have been obvious to one having ordinary skill in the art at the time of the invention to combine PTN's method of promoting photo finishing services to a camera customer with the teaching of Segal regarding providing discounted electronic devices in exchange for service contracts and encryption, in order to provide an ongoing source of revenue to a business and retain customers for selling additional services beyond an initial item purchase.

PTN and Segal fail to disclose encrypting and decrypting an image, or transferring low-resolution images from a camera. Sheridan discloses an image distribution method that includes encrypting a digital image and associating specific access rights with the image in order to prevent unauthorized access to the image. The system includes transmitting low-resolution images to third parties under certain conditions where a high-resolution image is not required (see at least col. 3, lines 8-15, col. 5, lines 34-42, col. 7 lines 1-8). It would have been obvious to one having ordinary

skill in the art at the time of the invention to combine the methods of PTN and Segal with the teaching of Sheridan regarding encrypting an image, in order to ensure that images are accessed by authorized individuals who have previously paid for access to the image, thus ensuring revenues to a business.

Please note that although PTN, Segal, Sheridan and Segal are silent regarding receiving image information such as ISO, aperture or shutter speed information in association with an encrypted image, it is notoriously old and well-known to provide information about films and cameras when submitting a film order for photo processing, such as whether the camera is a 135 mm type, and it would have been obvious to one of ordinary skill to provide such camera information to aid in better print processing of an order or image reproduction by a photo processor and increase customer satisfaction with print products.

Claims 4-5 are rejected under 35 U.S.C. 103(a) as being unpatentable over PTN, Segal, and Sheridan, and further in view of Bezos (US Patent 6,029,141)

PTN, Segal, and Sheridan substantially disclose the invention but fail to teach receiving an order for an image from someone other than a consumer and crediting the consumer based on the order. Bezos teaches a system of providing

compensation to affiliates of a website who refer customers to the website. It would have been obvious to one having ordinary skill in the art at the time of the invention to combine the methods of PTN, Segal, and Sheridan with the teaching of Bezos regarding providing a financial reward to someone other than a consumer who refers the consumer and facilitates a sale, in order to increase sales by referring customers to a business from multiple sources who will all benefit from increased revenues.

Claims 12, 29 and 42-44 are rejected under 35 U.S.C. 103(a) as being unpatentable over the combination of Zander and Segal and further in view of Frey et al. (US Patent 6,369,908).

As per claims 12 and 29, Zander and Segal substantially discloses the invention but fails to teach presenting advertising to a user. Frey teaches a photo kiosk with a monitor that displays images taken by a digital camera, and also displays advertisements to the user – as well as adding to the image a banner message – which could be an advertisement (see Abstract, col. 3, lines 31-49, and col. 5, lines 40-43). It would have been obvious to one having ordinary skill in the art at the time of the invention to combine Zander's camera vending method and Segal's encryption method with the teaching of Frey regarding displaying advertisements on a camera monitor in order to sell additional products or services and increase sales.

As per claims 42-44, Zander and Segal substantially discloses the invention, including leasing a camera to a user, selling a camera to a user and providing prints to a

user for a fee (see at least col. 5, lines 46-65) – as well as encryption. However, the combination of Zander and Segal fails to teach providing a user with prints at no additional cost. Frey teaches a photo kiosk that provides a user with temporary use of a camera and a set number of prints for one prepaid fee. It would have been obvious to one having ordinary skill in the art at the time of the invention to combine the teachings of Zander's and Segal's camera vending and encryption method with the teaching of Frey regarding providing a user with prints at no additional cost in order to simplify the camera leasing process by not requiring a separate transaction for providing prints.

Claims 11 and 13-18 are rejected under 35 U.S.C. 103(a) as being unpatentable over the combination of Zander and Segal in view of Fichtner et al. (US Patent 6,360,362).

The combination of Zander and Segal substantially discloses the invention but fails to teach storing camera usage information in camera memory or on a server, modifying camera performance or energy management based on camera usage information, or predicting camera battery life or camera memory based on the number of pictures taken. Fichtner teaches a method of connecting an imaging device such as a camera to a remote host system such as a computer connected to the World Wide Web in order to perform various functions such as modifying the camera's energy management to conserve power, configuring the camera's firmware or adding new protocols for accessing the camera's storage medium. A camera may store information

internally on defective components, which is then transferred to a remote source for an update. The host application software may request that images are transferred from the camera, including camera setting information such as image pixel, color, compression and orientation information (see at least col. 1 lines 11-53 and col. 7 line 65 - col. 8 line 27). It would have been obvious to one having ordinary skill in the art at the time of the invention to incorporate the combination of Zander and Segal's camera vending and encryption method with the teaching of Fichtner regarding modifying a camera's performance or energy management in order to automatically upgrade a camera's software or hardware and ensure that the upgrade is performed correctly, thus increasing customer satisfaction with the camera.

Please note that while neither the combination of Zander and Segal nor Fichtner discloses predicting when camera battery life or memory space will be exhausted based on the number of pictures taken during a predetermined time period, it is notoriously old and well-known in the camera art to display on a camera the number of pictures taken versus the total number of pictures possible, as well as displaying a low battery state existing in the camera. One of ordinary skill in the art would know to predict the camera's condition based on displayed camera indicators generated from, in the case of a digital camera, data stored in the camera's memory.

Claims 21-28 and 30-31 are rejected under 35 U.S.C. 103(a) as being unpatentable over the combination of Zander and Segal in view of Enomoto (US Patent 5,974,401).

The combination of Zander and Segal substantially discloses the invention, including leasing a camera to a user, selling a camera to a user, and camera encryption, but fails to teach a commitment for a dollar amount or an image amount, receiving a user profile information, a time limit on a commitment, fixing a price for an image reproduction, receiving an order to hardcopy image reproductions over a camera user interface or a network, providing additional prints for a fee, or a user designating a print house. Enomoto teaches a digital print order system that receives digital image data fed into a data processing device through an image input device such as a digital camera, along with print option data, delivery timeframe, payment data and userID data. The user can select which photofinisher will receive the print order, and reject the photofinisher if the delivery data quoted is unacceptable. Customer ID data is captured and additional print orders are expedited by accessing previously stored ID data (see at least col 2, lines 10 – 31, col 3, lines 21 – 30, col 4, lines 5 –51, col 5, line 65 and col 6, line 9). It would have been obvious to one of ordinary skill in the art at the time of the invention to combine Zander's camera vending method with the teachings of Enomoto regarding a digital print ordering service, in order to quickly and conveniently provide prints from digital image data to a customer

Claims 32-34 and 40-41 are rejected under 35 U.S.C. 103(a) as being unpatentable over the combination of Zander and Segal in view of PTN.

The combination of Zander and Segal substantially discloses the claimed invention, including a consumer paying for image reproductions and camera encryption, but fails to teach a camera manufacturer supplying cameras to a distributor such as a specialty camera shop which then promotes photo processing services to the camera purchasers in order to generate future film processing business. On the other hand, PTN discloses a method for specialty camera stores to increase profits by offering photo processing promotions to new camera buyers at the time of purchase (see paragraph 9). Please note that while PTN does not specifically mention a distributor providing a manufacturer a gratuity based on image reproduction sales, it is old and well known for distributors and manufacturers to contract agreements based on product sales for the purpose of mutual revenue generation. Therefore it would be obvious for a distributor to make such a contract with a manufacturer in order to increase future sales for both parties to the contract and share profits

Conclusion

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Rob Rhode whose telephone number is 703.305.8230. The examiner can normally be reached on M-F 7:30am - 4:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Wynn Coggins can be reached on 703.308.1344. The fax phone numbers for the organization where this application or proceeding is assigned are 703.305.7658 for regular communications and 703.308.3687 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703.306.1113.

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RER

March 17, 2003



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